

**BEAVER COUNTY SCHOOL DISTRICT**

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**Financial Statements  
and  
Independent Auditors' Report  
with Supplemental Information**

June 30, 2005

# BEAVER COUNTY SCHOOL DISTRICT

## TABLE OF CONTENTS

<b>Independent Auditors' Report</b>	1
<b>Management's Discussion and Analysis</b>	3
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements:	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds	12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Student Activities Fund	17
Statement of Fiduciary Net Assets - Private Purpose Trust Fund	18
Statement of Changes in Fiduciary Net Assets	19
Notes to Financial Statements	20
<b>Combining and Individual Fund Statements and Schedules</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	29
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	30

# BEAVER COUNTY SCHOOL DISTRICT

## TABLE OF CONTENTS (continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Special Revenue Funds	31
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Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Projects Funds	32
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### **Statistical and Additional Information Schedules**

Schedule of School Operating Expenditures Compared with Budget	33
--	----

Schedule of Operating Expenditures and Average Per Capita Costs	35
---	----

Schedule of Costs Per Capita and Average Daily Membership	36
---	----

Schedule of Bonded and Other Indebtedness	38
---	----

### **Reports and Schedules Required by the Single Audit Act**

Schedule of Expenditures of Federal Awards	41
--	----

Notes to Schedule of Expenditures of Federal Awards	42
---	----

Schedule of Findings and Questioned Costs - Federal Awards	43
--	----

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	44
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Report on Compliance with Requirements Applicable to Each Major Program and On Internal Control Over Compliance in Accordance with OMB Circular A-133	45
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Report on Legal Compliance Applicable to Utah State Laws and Regulations	47
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Schedule of Findings - Compliance - State of Utah	49
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**INDEPENDENT AUDITORS' REPORT**

Honorable Board of Education  
**Beaver County School District:**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beaver County School District (District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2005, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund and the major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which considered principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Haynie & Co*

Salt Lake City, Utah  
September 30, 2005

## Management's Discussion and Analysis

This discussion of Beaver County School District's financial performance provides an overview of the District's financial activities for the year ending June 30, 2005. This report is in conjunction with the District's financial statements.

### Financial Highlights

- ◆ The assets of Beaver County School District exceeded its liabilities as of the close of the most recent year by \$776,341 (*net assets*). Of this amount, \$117,052 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The government's total net assets decreased by \$328,119. The revenues were less than the adopted budgeted amounts, and expenditures were more than the adopted budgeted amounts.
- ◆ At the close of the current year, the Beaver County School District governmental funds reported combined ending fund balances of \$508,626, an increase of \$43,944 in comparison with the prior year. Approximately 23 percent of this total amount, \$117,052, is available for spending at the government's discretion (*unreserved fund balance*).
- ◆ At the end of the current year, unreserved fund balance for the general fund was \$117,052, or 1 percent of total general fund expenditures.
- ◆ Beaver County School District's total debt decreased by \$692,298 during the current year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Beaver County School District's basic financial statements. Beaver County School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Beaver County School District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Beaver County School District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Beaver County School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Refer to the table of contents for the location of the government-wide financial statements.

#### Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Beaver County School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Beaver County School District can be divided into two categories: governmental funds and fiduciary funds.

### **Governmental funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Beaver County School District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, student activities fund, debt service fund, and capital outlay fund, all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Beaver County School District adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

### **Proprietary funds**

Beaver County School District does not maintain any proprietary funds.

### **Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Beaver County School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

### **Notes to financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Beaver County School District.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.

### **Government-wide financial analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Beaver County School District, assets exceeded liabilities by \$776,341 at the close of the most recent fiscal year.

By far the largest portion of Beaver County School District's net assets (35 percent) reflects its investment in capital assets (e.g. land, buildings & improvements, furniture & equipment, and motor vehicles), less any related debt used to acquire those assets that is still outstanding. Beaver County School District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Beaver County School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### Beaver County School District's Net Assets

	Governmental Activities	
	2005	2004
Current and other assets	\$ 1,526,015	\$ 1,200,469
Capital assets	16,039,140	16,623,629
Total assets	17,565,155	17,824,098
Long-term liabilities outstanding	15,224,247	15,916,545
Other liabilities	1,564,567	803,093
Total liabilities	16,788,814	16,719,638
Net Assets:		
Invested in capital assets, net of related debt	267,715	639,778
Restricted	391,574	462,217
Unrestricted	117,052	2,465
Total net assets	\$ 776,341	\$ 1,104,460

A portion of Beaver County School District's net assets (50 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$117,052) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, Beaver County School District is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental activities. The same situation held true for the prior year.

#### Governmental activities

Governmental activities increased Beaver County School District's net assets by \$43,944. Key elements of this increase are as follows:

#### Beaver County School District's Changes in Net Assets

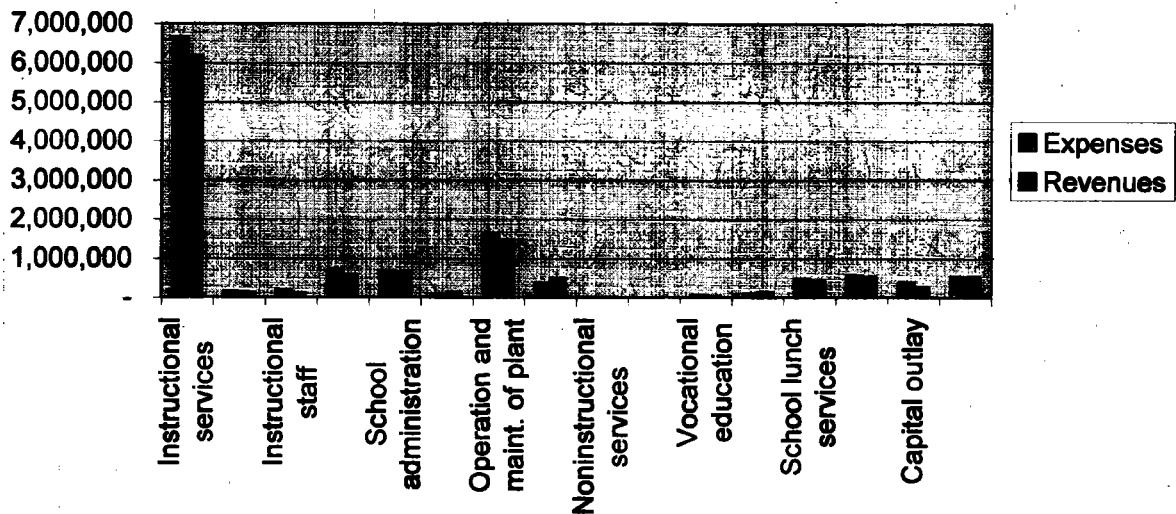
	Governmental Activities	
	2005	2004
Revenues:		
Program revenues:		
Charges for services	\$ 726,185	\$ 634,848
Operating grants and contributions	7,380,423	6,806,959
Capital grants and contributions	-	-
General revenues:		
Property taxes	3,994,535	3,824,425
Grants and contributions not restricted to specific programs	-	-
Earnings on investments	5,930	4,089
Gain on sale of capital assets	-	-
Miscellaneous	97,027	172,621
Total revenues	\$12,204,100	\$ 11,442,942



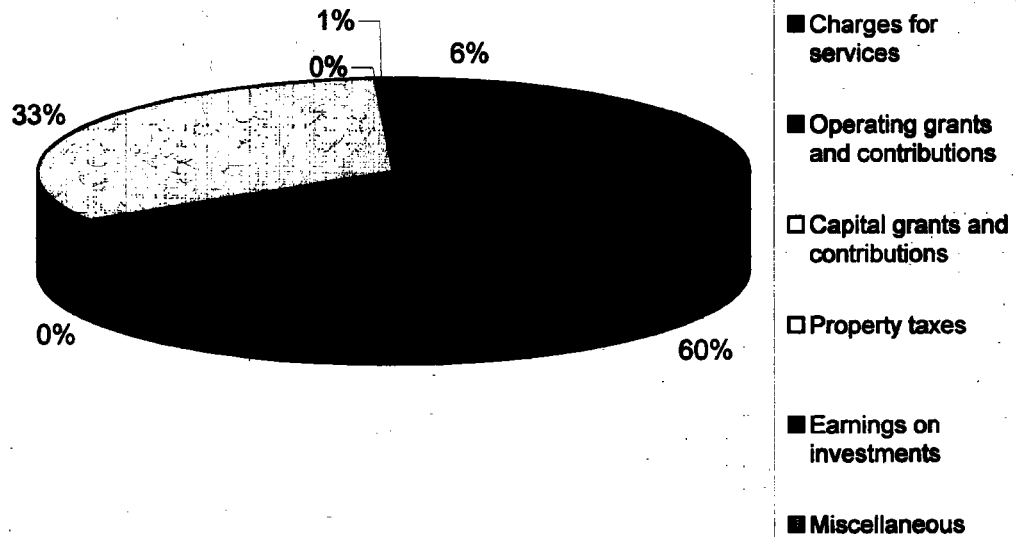
**Expenses:**

Instructional services	\$ 6,645,663	\$ 6,186,452
Students	146,571	123,731
Instructional staff	178,480	102,229
District general administration	709,427	574,944
School administration	683,377	653,480
Business	87,359	132,402
Operation and maint. of facilities	1,613,275	1,458,914
Student transportation	362,145	490,420
Noninstructional services	7,474	6,735
Community services	122	487
Vocational education and handicap	55,676	36,143
Other	97,323	140,393
School lunch services	470,769	412,745
Student activities	561,758	523,852
Capital outlay	386,318	249,875
Interest on long-term debt	526,482	519,563
Total expenses	<u>12,532,219</u>	<u>11,612,365</u>
Increase (decrease) in net assets	(328,119)	(169,423)
Net assets - beginning	1,104,460	1,273,883
Net assets - ending	<u>\$ 776,341</u>	<u>\$ 1,104,460</u>

**Expenses and Program Revenues -  
Governmental Activities**



## Revenues by Source - Governmental Activities



- ◆ Charges for services increased by \$91,337 due mainly to more food sales.
- ◆ Operating grants increased by \$573,464 due mainly to an increase in instructional services of \$307,096, and an increase in district general administration of \$221,252. There were increases and decreases in the other functional areas.
- ◆ Property taxes increased by \$170,110 due to an increase in assessing and collecting of property taxes.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. A noteworthy exception, however, was Beaver County School District's student transportation, which decreased by \$128,275 due to fewer buses and transportation needs.

### Financial Analysis of the Government's Funds

As noted earlier, Beaver County School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental funds**

The focus of Beaver County School District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Beaver County School District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Beaver County School District's governmental funds reported combined ending fund balances of \$508,626, an increase of \$43,944 in comparison with the prior year. Approximately 23 percent of this amount (\$117,052) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to capital outlay (\$5,859), 2) to student activities (\$164,904), 3) to recreation (\$69,711), 4) to scholarships (\$92,525), 5) to lunch services (\$38,155), 6) to debt service (\$19,368), and 7) to capital projects (\$1,052).

The general fund is the chief operating fund of Beaver County School District. At the end of the current year, unreserved fund balance of the general fund was \$117,052, while total fund balance reached \$117,052.

### **General Fund Budgetary Highlights**

There were no differences between the original budget and the final amended budget:

During the year, actual revenues were less than budgeted revenues by \$569,907, and actual expenditures were more than budgeted expenditures by \$94,823, resulting in a net budget increase in fund balance of \$285,270, after interfund transfers in/(out) of \$950,000 and (\$0), respectively.

### **Capital Asset and Debt Administration**

#### **Capital assets**

Beaver County School District's investment in capital assets for its governmental activities, as of June 30, 2005, amounts to \$16,039,140 (net of accumulated depreciation). This investment in capital assets includes land, buildings & improvements, furniture & equipment, and motor vehicles. The total decrease in Beaver County School District's investment in capital assets for the current year was \$584,489.

Major capital asset events during the current year included the following:

- ♦ Furniture, fixtures, and equipment purchases of \$168,140, and disposals of \$190,433.
- ♦ Motor vehicle purchases of \$31,335, and disposals of \$12,332.

**Beaver County School District's Capital Assets**  
(net of depreciation)

	<u>Governmental Activities</u>	
	2005	2004
Land	\$ 1,297,984	\$ 1,297,983
Buildings & improvements	14,003,435	14,505,630
Furniture & equipment	575,577	604,973
Motor vehicles	162,144	215,043
Total	<u>\$16,039,140</u>	<u>\$ 16,623,629</u>

Additional information on Beaver County School District's capital assets can be found in the notes to the financial statements.

**Long-term debt**

At the end of the current year, Beaver County School District had total debt outstanding of \$15,224,247. The debt represents general obligation bonds, notes payable, and leases payable.

**Beaver County School District's Outstanding Debt**

	<u>Governmental Activities</u>	
	2005	2004
General obligation bonds	\$15,110,000	\$ 15,740,000
Notes payable	114,247	170,074
Leases payable	-	6,471
Total	<u>\$15,224,247</u>	<u>\$ 15,916,545</u>

State statutes limit the amount of debt a School District may issue to 4 percent of its total fair market value of taxable property in the District. The current debt limitation for Beaver County School District is \$22,044,085.

Additional information on Beaver County School District's long-term debt can be found in the notes to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

- ◆ In August of 2005, the District passed a tax increase raising the Transportation, Recreation, Capital Outlay, and 10% Additional levy's. The tax increase will generate over \$225,000 in additional funds for the schools.
- ◆ The District has been involved with the State in recovering Medicaid funds that have been generated since 2001 but have not been received by the State or the District. Those funds totaling over \$200,000 should begin flowing into the District this year.
- ◆ Several projects in the County could raise the County property values: A large copper mining operation near Milford, additional hog facilities with Circle 4 Farms, the expansion of the Union Pacific road switching facility at Milford, additional housing subdivisions in Beaver and Milford, expansion of the Sulphurdale Geo-Thermal Electrical Plant near Cove Fort, and the possibility of additional industrial facilities dealing with natural resources of the valley that are currently being studied.

All of these factors were considered in preparing Beaver County School District's budget for the 2005-06 year.

**Requests for Information**

This financial report is designed to provide a general overview of Beaver County School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Beaver County School District Business Administrator, 291 North Main Street, Beaver, Utah, 84713.

# Beaver County School District

## Statement of Net Assets

June 30, 2005

<b>Assets:</b>	<b>Governmental Activities</b>
Cash and investments	\$ 990,573
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):	
Accounts	-
Taxes	87,162
Due from other governmental units	341,535
Other assets	106,745
Capital assets, net:	
Land	1,297,984
Buildings & improvements	14,003,435
Furniture & equipment	575,577
Motor vehicles	162,144
<b>Total assets</b>	<b>17,565,155</b>
<b>Liabilities:</b>	
Accounts payable and accrued expenses	1,017,389
Accounts interest payable	252,653
Due to other governmental units	-
Accrued liability for vested compensated absences	294,525
Long-term debt and capital lease obligations:	
Due within one year	1,055,000
Due in more than one year	14,169,247
<b>Total liabilities</b>	<b>16,788,814</b>
<b>Net assets:</b>	
Investment in capital assets, net of debt	267,715
Restricted for:	
Capital projects	6,911
Debt service	19,368
Recreation	69,711
Lunch services	38,155
Student activities	164,904
Scholarships	92,525
Unrestricted	117,052
<b>Total net assets</b>	<b>\$ 776,341</b>

## 11

**See accompanying notes to financial statements.**

# BEAVER COUNTY SCHOOL DISTRICT

## Balance Sheet - Governmental Funds

June 30, 2005

	General	Student Activities	Debt Service	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS AND OTHER DEBITS</u></b>					
Cash and cash equivalents	\$ 123,416	\$ 167,145	\$ 446,726	\$ 245,915	\$ 983,202
Investments	7,371	-	-	-	7,371
Receivables:					
Taxes from County Treasurer	24,005	-	22,642	40,515	87,162
Accounts - federal	341,535	-	-	-	341,535
Due from other funds	517,312	-	-	3,533	520,845
<b>Total receivables</b>	<u>882,852</u>	<u>-</u>	<u>22,642</u>	<u>44,048</u>	<u>949,542</u>
Other assets	106,745	-	-	-	106,745
<b>Total assets and other debits</b>	<u>\$ 1,120,384</u>	<u>\$ 167,145</u>	<u>\$ 469,368</u>	<u>\$ 289,963</u>	<u>\$ 2,046,860</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Liabilities:					
Accounts payable	\$ 125,969	\$ -	\$ -	\$ 17,590	\$ 143,559
Accrued payroll	503,834	-	-	-	503,834
Accrued benefits and other liabilities	369,996	-	-	-	369,996
Due to other funds	3,533	2,241	450,000	65,071	520,845
<b>Total liabilities</b>	<u>1,003,332</u>	<u>2,241</u>	<u>450,000</u>	<u>82,661</u>	<u>1,538,234</u>
Fund equity:					
Fund balances:					
Reserved for debt service, capital outlay, and other	-	164,904	19,368	207,302	391,574
Unreserved fund balance	117,052	-	-	-	117,052
<b>Total fund equity</b>	<u>117,052</u>	<u>164,904</u>	<u>19,368</u>	<u>207,302</u>	<u>508,626</u>
<b>Total liabilities and fund equity</b>	<u>\$ 1,120,384</u>	<u>\$ 167,145</u>	<u>\$ 469,368</u>	<u>\$ 289,963</u>	<u>\$ 2,046,860</u>

**Beaver County School District**  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
June 30, 2005

**Total Fund Balances - Governmental Funds**

\$ 508,626

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

16,039,140

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(15,771,425)

**Total Net Assets - Government Activities**

\$ 776,341



**BEAVER COUNTY SCHOOL DISTRICT**  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2005

	Major Funds			Other	Total
	General	Student Activities	Debt Service	Governmental Funds	Governmental Funds
<b>REVENUES:</b>					
<b>Local sources</b>					
Property taxes	\$ 1,850,873	\$ -	\$ 1,813,125	\$ 330,537	\$ 3,994,535
Tuition	19,224	-	-	-	19,224
Food service sales	-	-	-	123,746	123,746
Earnings on investments	5,121	-	-	809	5,930
Student activities	-	573,417	-	-	573,417
Other	97,027	-	-	-	97,027
<b>Total local sources</b>	<b>1,972,245</b>	<b>573,417</b>	<b>1,813,125</b>	<b>455,092</b>	<b>4,813,879</b>
<b>State sources</b>					
Grants in aid - Minimum School Programs	6,339,856	-	-	62,204	6,402,060
<b>Total state sources</b>	<b>6,339,856</b>	<b>-</b>	<b>-</b>	<b>62,204</b>	<b>6,402,060</b>
<b>Federal sources</b>					
Grants in aid	662,658	-	-	325,503	988,161
<b>Total federal sources</b>	<b>662,658</b>	<b>-</b>	<b>-</b>	<b>325,503</b>	<b>988,161</b>
<b>Total revenues</b>	<b>8,974,759</b>	<b>573,417</b>	<b>1,813,125</b>	<b>842,799</b>	<b>12,204,100</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries	3,761,767	-	-	-	3,761,767
Employee benefits	1,705,136	-	-	-	1,705,136
Supplies and materials	377,135	-	-	-	377,135
Other	350,092	-	-	-	350,092
<b>Total instruction</b>	<b>6,194,130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,194,130</b>
<b>Supporting services</b>					
Students	146,571	-	-	-	146,571
Instructional staff	166,423	-	-	-	166,423
District general administration	646,708	-	-	-	646,708
School administration	637,214	-	-	-	637,214
Business	81,458	-	-	-	81,458
Operation and maintenance of facilities	1,504,296	-	-	-	1,504,296
Student transportation	276,546	-	-	-	276,546
Noninstructional services	7,474	-	-	-	7,474
Community services	114	-	-	-	114
Vocational education and handicap	51,915	-	-	-	51,915
Other	97,323	-	-	-	97,323
<b>Total supporting services</b>	<b>3,616,042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,616,042</b>
<b>Student activities expenditures</b>	<b>-</b>	<b>561,758</b>	<b>-</b>	<b>-</b>	<b>561,758</b>
<b>Facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,199</b>	<b>107,199</b>
<b>Recreation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Food service</b>					
Personnel services	-	-	-	160,242	160,242
Employee benefits	-	-	-	80,562	80,562
Food purchases	-	-	-	209,276	209,276
Supplies and other	-	-	-	13,638	13,638
<b>Total food service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>463,718</b>	<b>463,718</b>
<b>Debt service</b>					
Bond retirement	-	-	685,827	-	685,827
Interest and fiscal charges	-	-	526,482	-	526,482
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>1,212,309</b>	<b>-</b>	<b>1,212,309</b>
<b>Total expenditures</b>	<b>9,810,172</b>	<b>561,758</b>	<b>1,212,309</b>	<b>570,917</b>	<b>12,155,156</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(835,413)</b>	<b>11,659</b>	<b>600,816</b>	<b>271,882</b>	<b>48,944</b>
<b>Other financing sources (uses):</b>					
Operating transfers in	950,000	-	-	-	950,000
Operating transfers (out)	-	-	(600,000)	(355,000)	(955,000)
<b>Total other financing sources (uses)</b>	<b>950,000</b>	<b>-</b>	<b>(600,000)</b>	<b>(355,000)</b>	<b>(5,000)</b>
<b>Net change in fund balance</b>	<b>114,587</b>	<b>11,659</b>	<b>816</b>	<b>(83,118)</b>	<b>43,944</b>
Fund balance July 1, 2004	2,465	153,245	18,552	290,420	464,682
<b>Fund balance June 30, 2005</b>	<b>\$ 117,052</b>	<b>\$ 164,904</b>	<b>\$ 19,368</b>	<b>\$ 207,302</b>	<b>\$ 508,626</b>

**Beaver County School District**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2005**

Amounts reported for governmental activities in the statement of activities are different because:

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 43,944</b>
---	------------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

(584,489)

The liability for compensated absences is not recorded in the governmental funds, but is reported in the statement of net assets. This is the current year change in the liability, reported as an expense in the statement of activities.

(242,927)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

692,298

Some expenses (accrued interest on long-term debt) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(236,945)

<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ (328,119)</u></b>
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# BEAVER COUNTY SCHOOL DISTRICT

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund For the Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
<b>Local sources:</b>				
Property taxes	\$ 1,798,950	\$ 1,798,950	\$ 1,850,873	\$ 51,923
Tuition	19,750	19,750	19,224	(526)
Earnings on investments	10,000	10,000	5,121	(4,879)
Other	159,812	159,812	97,027	(62,785)
<b>Total local sources</b>	<u>1,988,512</u>	<u>1,988,512</u>	<u>1,972,245</u>	<u>(16,267)</u>
<b>State sources:</b>				
Grants in aid - Minimum School Programs	6,604,288	6,604,288	6,339,856	(264,432)
<b>Total state sources</b>	<u>6,604,288</u>	<u>6,604,288</u>	<u>6,339,856</u>	<u>(264,432)</u>
<b>Federal sources:</b>				
Grants in aid	951,866	951,866	662,658	(289,208)
<b>Total federal sources</b>	<u>951,866</u>	<u>951,866</u>	<u>662,658</u>	<u>(289,208)</u>
<b>Total revenues</b>	<u>9,544,666</u>	<u>9,544,666</u>	<u>8,974,759</u>	<u>(569,907)</u>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries	3,627,941	3,627,941	3,761,767	(133,826)
Employee benefits	1,695,988	1,695,988	1,705,136	(9,148)
Supplies and materials	431,520	431,520	377,135	54,385
Other	589,118	589,118	350,092	239,026
<b>Total instruction</b>	<u>6,344,567</u>	<u>6,344,567</u>	<u>6,194,130</u>	<u>150,437</u>
<b>Supporting services:</b>				
Students	154,506	154,506	146,571	7,935
Instructional staff	162,571	162,571	166,423	(3,852)
District general administration	582,889	582,889	646,708	(63,819)
School administration	612,662	612,662	637,214	(24,552)
Business	117,468	117,468	81,458	36,010
Operation and maintenance of facilities	1,310,938	1,310,938	1,504,296	(193,358)
Student transportation	229,822	229,822	276,546	(46,724)
Noninstructional services	7,250	7,250	7,474	(224)
Community service	615	615	114	501
Vocational education and handicap	28,721	28,721	51,915	(23,194)
Other	163,340	163,340	97,323	66,017
<b>Total supporting services</b>	<u>3,370,782</u>	<u>3,370,782</u>	<u>3,616,042</u>	<u>(245,260)</u>
<b>Total expenditures</b>	<u>9,715,349</u>	<u>9,715,349</u>	<u>9,810,172</u>	<u>(94,823)</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(170,683)</u>	<u>(170,683)</u>	<u>(835,413)</u>	<u>(664,730)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	950,000	950,000
Operating transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>950,000</u>	<u>950,000</u>
<b>Net change in fund balance</b>	<u>(170,683)</u>	<u>(170,683)</u>	<u>114,587</u>	<u>285,270</u>
Fund balance July 1, 2004	2,465	2,465	2,465	-
<b>Fund balance June 30, 2005</b>	<u>\$ (168,218)</u>	<u>\$ (168,218)</u>	<u>\$ 117,052</u>	<u>\$ 285,270</u>

**BEAVER COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - Student Activities Fund**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
<b>Local sources:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Food service sales	-	-	-	-
Earnings on investments	-	-	-	-
Student activities	573,417	573,417	573,417	-
Other	-	-	-	-
<b>Total local sources</b>	<u>573,417</u>	<u>573,417</u>	<u>573,417</u>	<u>-</u>
<b>State sources:</b>				
Grants in aid - Minimum School Programs	-	-	-	-
<b>Total state sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Federal sources:</b>				
Grants in aid	-	-	-	-
<b>Total federal sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>573,417</u>	<u>573,417</u>	<u>573,417</u>	<u>-</u>
<b>Expenditures:</b>				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Food purchases	-	-	-	-
Supplies and other	-	-	-	-
Student activities	561,758	561,758	561,758	-
<b>Total expenditures</b>	<u>561,758</u>	<u>561,758</u>	<u>561,758</u>	<u>-</u>
<b>Excess of revenues over</b>				
<b>(under) expenditures</b>	<u>11,659</u>	<u>11,659</u>	<u>11,659</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>11,659</u>	<u>11,659</u>	<u>11,659</u>	<u>-</u>
Fund balance July 1, 2004	<u>153,245</u>	<u>153,245</u>	<u>153,245</u>	<u>-</u>
<b>Fund balance June 30, 2005</b>	<u>\$ 164,904</u>	<u>\$ 164,904</u>	<u>\$ 164,904</u>	<u>\$ -</u>

# BEAVER COUNTY SCHOOL DISTRICT

## Statement of Fiduciary Net Assets

June 30, 2005

	Private Purpose Trust
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ -
Investments	-
Receivables:	
Taxes from County Treasurer	-
Interest receivable	-
Due from other funds	-
Total receivables	<u>+</u>
<b>Total assets</b>	<u>\$ -</u>
<b><u>LIABILITIES</u></b>	
Accounts payable	\$ -
Accrued payroll	-
Accrued benefits and other liabilities	-
Due to other funds	-
<b>Total liabilities</b>	<u>-</u>
<b><u>NET ASSETS</u></b>	
Held in trust for scholarship benefits	<u>\$ -</u>

**Beaver County School District**  
**Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2005**

	Private Purpose Trust
<b>Additions:</b>	
Earnings on investments	\$ -
Other	5,000
<b>Total additions</b>	<u>5,000</u>
<b>Deductions:</b>	
Benefits	5,000
Other	-
<b>Total deductions</b>	<u>5,000</u>
<b>Net increase (decrease)</b>	-
Net assets July 1, 2004	<u>-</u>
<b>Net assets June 30, 2005</b>	<u>\$ -</u>

# BEAVER COUNTY SCHOOL DISTRICT

## Notes to Financial Statements

### 1. BUSINESS ACTIVITY

Beaver County School District (the District), which encompasses the entire area of Beaver County, Utah (the County), operates two high schools and three elementary schools. The District covers 2,587 square miles; the largest cities in the District are Beaver, Milford, and Minersville.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the District is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the District officials who are responsible for their integrity and objectivity. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments and have been consistently applied in the preparation of the financial statements.

#### Reporting Entity

The Board of Education, comprised of five elected individuals, is the primary governing authority for the District. The District is not a component unit of any other primary government, and the District does not have any component units.

#### Government-Wide and Fund Financial Statements

The *government-wide financial statements* (the statement of net assets and the statement of activities) display information about the primary government (the District). These statements include the financial activities of the overall government, except the fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line.

Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue fund* is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District has three special revenue funds: The Lunch Service program for the District's students, the Recreation Fund for the purpose of assisting Beaver County with swimming pool operations, and the Student Activities Fund for both Milford and Beaver High School students.

The *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation bonds.

The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

The *permanent scholarship fund* accounts for transactions, assets, liabilities, and fund equity of the scholarship fund. This fund was created by a large donation from the Dixie S. Barton Trust to fund scholarships. The fund's principal is nonexpendable, whereas the earnings on the principal are used to increase the fund's principal to support scholarship awards to deserving students.

## BEAVER COUNTY SCHOOL DISTRICT

### Notes to Financial Statements (continued)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Additionally, the District reports the following fund type:

The *private purpose trust fund* (a fiduciary fund) accounts for assets received and expended, for scholarships, by the District as trustee.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *government-wide and fiduciary fund financial statements* are reported using the economic resources measurement focus. The government-wide statements are reported using the the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental fund financial statements* are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

#### Budget and Budgetary Accounting

Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are presented on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the Board of Education.

#### Cash and Cash Equivalents, and Investments

The District considers all cash on hand and in banks, and all highly liquid investments with a maturity of three months or less, to be cash equivalents. Investments are stated at market value, which approximates cost.

#### Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings & improvements	40
Furniture	7
Office & computer equipment	5
Motor vehicles	5



## BEAVER COUNTY SCHOOL DISTRICT

### Notes to Financial Statements (continued)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets.

##### Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

##### Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

##### Property Taxes

The property tax revenue of the District is collected and distributed by the Beaver County treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30.

##### Comparative Data

Comparative data for the prior year has been presented in the certain sections of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

#### 3. CASH AND CASH EQUIVALENTS

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

Beaver School District follows the requirements of the Utah Money Management Act (Utah Code, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of the District's funds in a qualified depository. The Act defines qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and that has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

##### Deposits

##### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. At June 30, 2005, \$936,919 of the District's bank balances was uninsured and uncollateralized. The market value is equivalent to the below stated carrying amount.

**BEAVER COUNTY SCHOOL DISTRICT**  
Notes to Financial Statements (continued)

**3. CASH AND CASH EQUIVALENTS (continued)**

At June 30, 2005, the District's bank balance, which includes pooled-cash amounts belonging to all District funds, is reflected on the books of account as follows:

Bank account balance	\$ 1,036,919
Deposits in transit	-
Outstanding checks	<u>(53,717)</u>
Carrying amount at June 30, 2005	<u>\$ 983,202</u>

On May 8, 2001, the District received \$105,000 from the Dixie S. Barton Trust, with the stipulation that \$5,000 be awarded annually to that graduating member of the Senior Class of Beaver High School, who, as determined annually by the Beaver County Board of Education, attains the highest four years High School scholastic average and is most in need of such funds to enroll in a college or university of his or her choice. On June 30, 2005, the permanent scholarship fund's balance restricted for scholarships was \$92,525, and the private purpose trust fund's balance was \$0.

**4. INVESTMENTS**

The Money Management Act defines the types of securities authorized as appropriate investments for the District and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the District to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard and Poor's; bankers' acceptances; obligations of the U.S. Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer's Investment Fund. All investments held by the District at June 30, 2005 comply with the provisions of the Act.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, Utah Code Annotated, 1953, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses - net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

As of June 30, 2005, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
State of Utah Public Treasurer's Investment Fund	\$ 7,371				\$ 7,371

# BEAVER COUNTY SCHOOL DISTRICT

Notes to Financial Statements (continued)

## 4. INVESTMENTS (continued)

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 2 years.

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act as previously discussed.

As of June 30, 2005, the District had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
State of Utah Public Treasurer's Investment Fund	\$ 7,371				\$ 7,371

## 5. CAPITAL ASSETS

Changes in capital assets for the fiscal year ended June 30, 2005 are shown in the following tabulation.

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
School sites	\$ 1,297,984	\$ -	\$ -	\$ 1,297,984
Capital assets, being depreciated:				
Buildings and improvements	22,308,150	-	-	22,308,150
Furniture and equipment	2,619,460	168,140	(190,433)	2,597,167
Motor vehicles	1,082,578	31,335	(12,332)	1,101,581
Total capital assets, being depreciated	26,010,188	199,475	(202,765)	26,006,898
Accumulated depreciation for:				
Buildings and improvements	(7,802,522)	(502,193)	-	(8,304,715)
Furniture and equipment	(2,014,679)	(197,344)	190,433	(2,021,590)
Motor vehicles	(867,535)	(84,234)	12,332	(939,437)
Total accumulated depreciation	(10,684,736)	(783,771)	202,765	(11,265,742)
Total capital assets, being depreciated, net	15,325,452	(584,296)	-	14,741,156
Governmental activities capital assets, net	\$ 16,623,436	\$ (584,296)	\$ -	\$ 16,039,140

# BEAVER COUNTY SCHOOL DISTRICT

Notes to Financial Statements (continued)

## 5. CAPITAL ASSETS (continued)

For the year ended June 30, 2005, depreciation expense was charged to functions of the District as follows:

### Governmental activities:

Instructional services	\$ 451,533
Supporting services:	
Instructional staff	12,057
District general administration	62,719
School administration	46,163
Business	5,901
Operation and maintenance of facilities	108,979
Student transportation	85,599
Community services	8
Vocational education and handicap	3,761
School lunch services	7,051
Total depreciation expense, governmental activities	<u>\$ 783,771</u>

## 6. ACCRUED PAYROLL

Teaching personnel are paid on contracts that provide monthly payments throughout the year, even though school is not in session during the summer months. Accrued payroll represents payments for teachers that are distributed during July and August, but are for services performed for the year ended June 30, 2005. The total accrued payroll amounted to \$503,834 at June 30, 2005, and the total accrued benefits and other liabilities amounted to \$369,996 at June 30, 2005.

## 7. INSURANCE COVERAGE

The District participates with a majority of the other districts in the State in a group insurance program providing for blanket coverage on all risks covering buildings, their contents, comprehensive general and auto liability, errors and omissions, and automobile physical damage with a deductible clause. The blanket policy also includes fidelity coverage for all employees except the Clerk/Treasurer for whom a separate bond is in force. In addition, separate policies are in force covering various aspects of life, medical, and disability insurance for employees.

## 8. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2005 is as follows:

	Balance June 30, 2004	Additions	Reductions	Balance June 30, 2005	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable	\$ 15,740,000	\$ 90,000	\$ 720,000	\$ 15,110,000	\$ 1,025,000
Notes payable	170,074	-	55,827	114,247	30,000
Leases payable	6,471	-	6,471	-	-
Total governmental long-term liabilities	<u>\$ 15,916,545</u>	<u>\$ 90,000</u>	<u>\$ 782,298</u>	<u>\$ 15,224,247</u>	<u>\$ 1,055,000</u>

### General Obligation Bonds and Notes Payable:

Changes in general obligation bonds and notes payable for the year ended June 30, 2005 are summarized as follows:

Issue Date	Bonds Payable at June 30, 2004	Issued During Year	Retired During Year	Bonds Payable at June 30, 2005
August 25, 2004 (2004B)	\$ 5,830,000	\$ 90,000	\$ 610,000	\$ 5,310,000
March 5, 1998	170,074	-	55,827	114,247
May 6, 2004 (2004A)	9,910,000	-	110,000	9,800,000
	<u>\$ 15,910,074</u>	<u>\$ 90,000</u>	<u>\$ 775,827</u>	<u>\$ 15,224,247</u>

**BEAVER COUNTY SCHOOL DISTRICT**  
Notes to Financial Statements (continued)

**8. LONG-TERM DEBT (continued)**

Bonds and notes payable at June 30, 2005 are composed of the following:

2004B General obligation refunding bonds due in annual installments of \$680,854 to \$754,800, including interest, through February 1, 2013; interest from 3.00% to 4.00%	\$ 5,310,000
1998 Note payable to Frank and Phyllis Myers due in annual installments of \$30,000, through March 5, 2009, plus interest at 10.00%	114,247
2004A General obligation refunding bonds due in annual installments of \$398,975 to \$1,480,500, including interest, through February 15, 2019; interest from 2.50% to 5.00%	<u>9,800,000</u>
	<u>\$ 15,224,247</u>

The annual requirements to amortize all bonds and notes payable outstanding as of June 30, 2005 are as follows:

Year Ending June 30,	Bond Principal	Bond Interest	Total
2006	\$ 1,055,000	\$ 612,323	\$ 1,667,323
2007	950,000	580,523	1,530,523
2008	895,000	549,923	1,444,923
2009	914,247	520,373	1,434,620
2010	915,000	488,704	1,403,704
Other years	10,495,000	2,563,822	13,058,822
Total	<u>\$ 15,224,247</u>	<u>\$ 5,315,668</u>	<u>\$ 20,539,915</u>

**Leases Payable:**

Changes in leases payable for the year ended June 30, 2005 are summarized as follows:

Issue Date	Leases Payable at June 30, 2004	Issued During Year	Retired During Year	Leases Payable at June 30, 2005
October 2, 2001	\$ 6,471	\$ -	\$ 6,471	\$ -
	<u>\$ 6,471</u>	<u>\$ -</u>	<u>\$ 6,471</u>	<u>\$ -</u>

# BEAVER COUNTY SCHOOL DISTRICT

Notes to Financial Statements (continued)

## 9. INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of June 30, 2005 is as follows:

Receivable Fund	Payable Fund	Amount
<b>Due from/to other funds:</b>		
General	Lunch services	\$ 1,401
General	Student activities	2,241
General	Debt service	450,000
General	Capital outlay	63,670
Recreation	General	2,481
Capital projects	General	1,052
Total		\$ 520,845

During the year ended June 30, 2005, the debt service fund transferred \$600,000 to the general fund, and the capital outlay fund transferred \$350,000 to the general fund, for a total of \$950,000. The permanent scholarship fund transferred \$5,000 to the private-purpose trust fund. The transfers were for instructional expenses, scholarships, and small projects.

## 10. PENSION PLANS

The District contributes to the State and School Contributory Retirement System and State and School Noncontributory Retirement System, cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems. Utah Retirement Systems provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor.

The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the State and School Contributory Retirement Systems and State and School Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

The District is legally obligated to contribute to the retirement systems as long as they have employees meeting membership requirements. The contribution rates in effect for the period above are as follows calculated on the applicable salary for the eligible employees. The member contributions may be deducted from the member or paid by the employer in behalf of the member. For the year ended June 30, 2005, the contribution rates are the actuarial determined rates as follows:

Utah Retirement System	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
State and School - Noncontributory	N/A	N/A	13.380%

**BEAVER COUNTY SCHOOL DISTRICT**

## Notes to Financial Statements (continued)

**10. PENSION PLANS (continued)**

The District has no liability beyond the amount of its annual contributions. All contributions by the District were made by the due dates. Contributions for the years ended June 30, 2003 to June 30, 2005 are as follows:

System	Year	Employee paid Contrib.	Employer paid for Employee Contrib.	Employer Contrib.	Salary subject to Employee Contrib.
State and School - Noncontributory	2005	N/A	N/A	501,863	3,750,843
	2004	N/A	N/A	457,253	3,908,149
	2003	N/A	N/A	383,103	3,683,689
State and School - Contributory	2005	N/A	N/A	N/A	N/A
	2004	N/A	970	1,165	16,159
	2003	N/A	N/A	N/A	N/A

**11. DEFERRED COMPENSATION 457 PLAN**

The District offers its employees a deferred compensation plan through the Utah State Retirement System created in accordance with Internal Revenue Code (IRC) Section 457.

The District has adopted the provisions of GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, effective July 1, 1997. The 457 deferred compensation plan in which the District participates was amended such that all income and assets of the Plan are now held in trust for the exclusive benefit of the participants. This modification aligned the District with the new laws governing 457 deferred compensation plans. Accordingly, GASB No. 32 required that the assets associated with this Plan be removed from the financial statements, as they are no longer a legal asset of the District. For the years ending June 30, 2005, 2004, and 2003, employee contributions to this plan were \$23,918, \$28,636, and \$0, respectively.

**12. EMPLOYEE BENEFIT PLAN**

The District provides a 401(k) plan for substantially all employees. The Plan is available to full-time employees who are aged 18 or older and have completed six months of continuous employment. Employees become fully vested in the Plan at the conclusion of four years of employment. Employees may voluntarily contribute to the Plan in an amount not to exceed limitations established by the Internal Revenue Service. The District may make contributions at the discretion of the School Board.

The District's contributions to the 401(k) Plan for the years ending June 30, 2005, 2004, and 2003 were \$64,916, \$66,142, and \$63,845, respectively. Employee contributions were \$48,220, \$53,056, and \$59,026, for the same years. Plan assets are held by the Utah Retirement Systems.

**BEAVER COUNTY SCHOOL DISTRICT**  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2005

	<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Permanent</u>	<u>Total</u>
	<u>Recreation</u>	<u>Lunch</u>	<u>Capital</u>	<u>Capital</u>	<u>Scholarship</u>	<u>Nonmajor</u>
		<u>Services</u>	<u>Outlay</u>	<u>Projects</u>		<u>Governmental</u>
						<u>Funds</u>
<b><u>ASSETS</u></b>						
<b>Assets:</b>						
Cash and cash equivalents	\$ 66,382	\$ 20,846	\$ 66,162	\$ -	\$ 92,525	\$ 245,915
Investments	-	-	-	-	-	-
Taxes receivable	848	36,300	3,367	-	-	40,515
Due from other funds	2,481	-	-	1,052	-	3,533
<b>Total assets</b>	<b>\$ 69,711</b>	<b>\$ 57,146</b>	<b>\$ 69,529</b>	<b>\$ 1,052</b>	<b>\$ 92,525</b>	<b>\$ 289,963</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 17,590	\$ -	\$ -	\$ -	\$ 17,590
Due to other funds	-	1,401	63,670	-	-	65,071
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 18,991</b>	<b>\$ 63,670</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 82,661</b>
<b>Fund balance:</b>						
Reserved for future expenditures	\$ 69,711	\$ 38,155	\$ 5,859	\$ 1,052	\$ 92,525	\$ 207,302
<b>Total fund balance</b>	<b>\$ 69,711</b>	<b>\$ 38,155</b>	<b>\$ 5,859</b>	<b>\$ 1,052</b>	<b>\$ 92,525</b>	<b>\$ 207,302</b>
<b>Total liabilities and fund balance</b>	<b>\$ 69,711</b>	<b>\$ 57,146</b>	<b>\$ 69,529</b>	<b>\$ 1,052</b>	<b>\$ 92,525</b>	<b>\$ 289,963</b>



**BEAVER COUNTY SCHOOL DISTRICT**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended June 30, 2005

	<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Permanent</u>	<u>Total</u>
	<u>Recreation</u>	<u>Lunch Services</u>	<u>Capital Outlay</u>	<u>Capital Projects</u>	<u>Scholarship</u>	<u>Nonmajor Governmental Funds</u>
<b>Revenues:</b>						
Property taxes	\$ 66,501	\$ -	\$ 264,036	\$ -	\$ -	\$ 330,537
Food service sales	-	123,746	-	-	-	123,746
Earnings on investments	-	-	-	-	809	809
State - grants in aid	-	62,204	-	-	-	62,204
Federal - grants in aid	-	315,705	9,798	-	-	325,503
Student activities	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<u>66,501</u>	<u>501,655</u>	<u>273,834</u>	<u>-</u>	<u>809</u>	<u>842,799</u>
<b>Expenditures:</b>						
Personnel services	-	160,242	-	-	-	160,242
Employee benefits	-	80,562	-	-	-	80,562
Food purchases	-	209,276	-	-	-	209,276
Supplies and other	-	13,638	-	-	-	13,638
Student activities	-	-	-	-	-	-
Facilities acquisition and construction services	-	-	107,199	-	-	107,199
Recreation	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>463,718</u>	<u>107,199</u>	<u>-</u>	<u>-</u>	<u>570,917</u>
<b>Excess of revenues over (under) expenditures</b>	<u>66,501</u>	<u>37,937</u>	<u>166,635</u>	<u>-</u>	<u>809</u>	<u>271,882</u>
<b>Other financing sources (uses):</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	(350,000)	-	(5,000)	(355,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(350,000)</u>	<u>-</u>	<u>(5,000)</u>	<u>(355,000)</u>
<b>Net change in fund balance</b>	<u>66,501</u>	<u>37,937</u>	<u>(183,365)</u>	<u>-</u>	<u>(4,191)</u>	<u>(83,118)</u>
Fund balance July 1, 2004	<u>3,210</u>	<u>218</u>	<u>189,224</u>	<u>1,052</u>	<u>96,716</u>	<u>290,420</u>
<b>Fund balance June 30, 2005</b>	<u>\$ 69,711</u>	<u>\$ 38,155</u>	<u>\$ 5,859</u>	<u>\$ 1,052</u>	<u>\$ 92,525</u>	<u>\$ 207,302</u>

**BEAVER COUNTY SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - Special Revenue Funds**  
**For the Year Ended June 30, 2005**

	Lunch Service			Recreation			Student Activities			Totals		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>												
Property taxes	\$ -	\$ -	\$ -	\$ 66,641	\$ 66,501	\$ (140)	\$ -	\$ -	\$ -	\$ 66,641	\$ 66,501	\$ (140)
Food service sales	127,700	123,746	(3,954)	-	-	-	-	-	-	127,700	123,746	(3,954)
Earnings on investments	-	-	-	-	-	-	-	-	-	-	-	-
State - grants in aid	55,811	62,204	6,393	-	-	-	-	-	-	55,811	62,204	6,393
Federal - grants in aid	274,289	315,705	41,416	-	-	-	-	-	-	274,289	315,705	41,416
Student activities	-	-	-	-	-	-	573,417	573,417	-	573,417	573,417	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>457,800</b>	<b>501,655</b>	<b>43,855</b>	<b>66,641</b>	<b>66,501</b>	<b>(140)</b>	<b>573,417</b>	<b>573,417</b>	<b>-</b>	<b>1,097,858</b>	<b>1,141,573</b>	<b>43,715</b>
<b>Expenditures:</b>												
Personnel services	150,220	160,242	(10,022)	-	-	-	-	-	-	150,220	160,242	(10,022)
Employee benefits	64,124	80,562	(16,438)	-	-	-	-	-	-	64,124	80,562	(16,438)
Food purchases	186,730	209,276	(22,546)	-	-	-	-	-	-	186,730	209,276	(22,546)
Supplies and other	5,020	13,638	(8,618)	-	-	-	-	-	-	5,020	13,638	(8,618)
Student activities	-	-	-	-	-	-	561,758	561,758	-	561,758	561,758	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>406,094</b>	<b>463,718</b>	<b>(57,624)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>561,758</b>	<b>561,758</b>	<b>-</b>	<b>967,852</b>	<b>1,025,476</b>	<b>(57,624)</b>
<b>Excess of revenues over (under) expenditures</b>	<b>51,706</b>	<b>37,937</b>	<b>(13,769)</b>	<b>66,641</b>	<b>66,501</b>	<b>(140)</b>	<b>11,659</b>	<b>11,659</b>	<b>-</b>	<b>130,006</b>	<b>116,097</b>	<b>(13,909)</b>
<b>Other financing sources (uses):</b>												
Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>51,706</b>	<b>37,937</b>	<b>(13,769)</b>	<b>66,641</b>	<b>66,501</b>	<b>(140)</b>	<b>11,659</b>	<b>11,659</b>	<b>-</b>	<b>130,006</b>	<b>116,097</b>	<b>(13,909)</b>
Fund balance July 1, 2004	218	218	-	3,210	3,210	-	153,245	153,245	-	156,673	156,673	-
<b>Fund balance June 30, 2005</b>	<b>\$ 51,924</b>	<b>\$ 38,155</b>	<b>\$ (13,769)</b>	<b>\$ 69,851</b>	<b>\$ 69,711</b>	<b>\$ (140)</b>	<b>\$ 164,904</b>	<b>\$ 164,904</b>	<b>\$ -</b>	<b>\$ 286,679</b>	<b>\$ 272,770</b>	<b>\$ (13,909)</b>

**BEAVER COUNTY SCHOOL DISTRICT**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual - Capital Projects Funds  
For the Year Ended June 30, 2005

	Capital Projects			Capital Outlay			Totals		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>									
Property taxes	\$ -	\$ -	\$ -	\$ 256,650	\$ 264,036	\$ 7,386	\$ 256,650	\$ 264,036	\$ 7,386
Earnings on investments	-	-	-	-	-	-	-	-	-
Federal - grants in aid	-	-	-	-	-	-	-	-	-
Other	-	-	-	7,550	9,798	2,248	7,550	9,798	2,248
<b>Total revenues</b>	-	-	-	264,200	273,834	9,634	264,200	273,834	9,634
<b>Expenditures:</b>									
Facilities acquisition and construction services	108,000	-	108,000	138,200	107,199	31,001	246,200	107,199	139,001
<b>Total expenditures</b>	108,000	-	108,000	138,200	107,199	31,001	246,200	107,199	139,001
<b>Excess of revenues over (under) expenditures</b>	(108,000)	-	108,000	126,000	166,635	40,635	18,000	166,635	148,635
<b>Other financing sources (uses):</b>									
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	(350,000)	(350,000)	-	(350,000)	(350,000)
<b>Total other financing sources (uses)</b>	-	-	-	-	(350,000)	(350,000)	-	(350,000)	(350,000)
<b>Net change in fund balance</b>	(108,000)	-	108,000	126,000	(183,365)	(309,365)	18,000	(183,365)	(201,365)
Fund balance July 1, 2004	1,052	1,052	-	189,224	189,224	-	190,276	190,276	-
<b>Fund balance June 30, 2005</b>	<u>\$ (106,948)</u>	<u>\$ 1,052</u>	<u>\$ 108,000</u>	<u>\$ 315,224</u>	<u>\$ 5,859</u>	<u>\$ (309,365)</u>	<u>\$ 208,276</u>	<u>\$ 6,911</u>	<u>\$ (201,365)</u>

# BEAVER COUNTY SCHOOL DISTRICT

## Schedule of School Operating Expenditures

### Compared with Budget

For the Year Ended June 30, 2005

	Final Budget	Actual	Variance - Favorable (Unfavorable)
<b><u>INSTRUCTION</u></b>			
Salaries	\$ 3,627,941	\$ 3,761,767	\$ (133,826)
Employee benefits	1,695,988	1,705,136	(9,148)
Supplies and materials	431,520	377,135	54,385
Other	589,118	350,092	239,026
<b>Total instruction</b>	<b>6,344,567</b>	<b>6,194,130</b>	<b>150,437</b>
<b><u>SUPPORTING SERVICES</u></b>			
<b>Students:</b>			
Salaries	77,733	93,571	(15,838)
Employee benefits	37,213	20,152	17,061
Purchased services	38,750	32,038	6,712
Supplies and materials	810	810	-
<b>Total students</b>	<b>154,506</b>	<b>146,571</b>	<b>7,935</b>
<b>Instructional staff:</b>			
Salaries	109,222	114,155	(4,933)
Employee benefits	4,579	12,053	(7,474)
Property	3,100	829	2,271
Purchased services	2,826	2,561	265
Travel	1,500	2,693	(1,193)
Supplies, materials, and books	41,344	34,132	7,212
Other	-	-	-
<b>Total instructional staff</b>	<b>162,571</b>	<b>166,423</b>	<b>(3,852)</b>
<b>District general administration:</b>			
Salaries; Board, Supt.	225,227	157,897	67,330
Employee benefits	203,862	292,271	(88,409)
Travel	26,500	17,768	8,732
Purchased services	75,000	66,094	8,906
Insurance	48,000	111,187	(63,187)
Supplies and materials	4,300	1,491	2,809
<b>Total general administration</b>	<b>582,889</b>	<b>646,708</b>	<b>(63,819)</b>
<b>School administration:</b>			
Salaries; Principals, and Sec.	460,383	429,313	31,070
Employee benefits	138,454	200,184	(61,730)
Travel	-	-	-
Supplies and materials	12,000	5,901	6,099
Other	1,825	1,816	9
<b>Total school administration</b>	<b>612,662</b>	<b>637,214</b>	<b>(24,552)</b>
<b>Business:</b>			
Salaries	74,845	53,074	21,771
Employee benefits	29,123	18,205	10,918
Supplies and materials	7,000	3,408	3,592
Travel	6,500	6,771	(271)
<b>Total business</b>	<b>117,468</b>	<b>81,458</b>	<b>36,010</b>

**BEAVER COUNTY SCHOOL DISTRICT**  
**Schedule of School Operating Expenditures**  
**Compared with Budget - (continued)**  
**For the Year Ended June 30, 2005**

	Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operation and maintenance of plant:</b>			
Salaries	427,761	438,284	(10,523)
Employee benefits	255,477	262,823	(7,346)
Purchased services	585,200	748,628	(163,428)
Supplies and materials	30,000	35,564	(5,564)
Other	12,500	18,997	(6,497)
<b>Total operation and maintenance</b>	<b>1,310,938</b>	<b>1,504,296</b>	<b>(193,358)</b>
<b>Student transportation:</b>			
Salaries	88,000	105,829	(17,829)
Employee benefits	27,322	34,152	(6,830)
Purchased services	26,000	23,742	2,258
Supplies and materials	88,500	112,823	(24,323)
Other	-	-	-
<b>Total student transportation</b>	<b>229,822</b>	<b>276,546</b>	<b>(46,724)</b>
<b>Noninstructional services:</b>			
Drug and alcohol	7,250	7,474	(224)
<b>Total noninstructional services</b>	<b>7,250</b>	<b>7,474</b>	<b>(224)</b>
<b>Community services:</b>			
Salaries	-	-	-
Employee benefits	-	-	-
Supplies and materials	615	114	501
Property	-	-	-
<b>Total community services</b>	<b>615</b>	<b>114</b>	<b>501</b>
<b>Vocational education:</b>			
Employee benefits	2,221	1,457	764
Property	26,500	50,458	(23,958)
Computer Equipment	-	-	-
Other	-	-	-
<b>Total vocational education</b>	<b>28,721</b>	<b>51,915</b>	<b>(23,194)</b>
<b>Other supporting services:</b>			
Salaries	51,850	8,335	43,515
Employee benefits	47,728	28,194	19,534
Purchased services	611	611	-
Supplies and materials	-	-	-
Student activities	4,000	4,354	(354)
Exp/develop	39,000	14,679	24,321
Central support services	3,200	5,300	(2,100)
TLC flow thru	-	-	-
Professional/ed.	-	-	-
Aims textbooks	-	-	-
Undistributed reserve/misc./other	16,951	35,850	(18,899)
<b>Total other supporting services</b>	<b>163,340</b>	<b>97,323</b>	<b>66,017</b>
<b>Total supporting services</b>	<b>3,370,782</b>	<b>3,616,042</b>	<b>(245,260)</b>
<b>Total school operating expenditures</b>	<b>\$ 9,715,349</b>	<b>\$ 9,810,172</b>	<b>\$ (94,823)</b>

**NOTES:**

- Expenditures for noninstructional services include those of the special Non K-12 Programs fund.

**BEAVER COUNTY SCHOOL DISTRICT**  
**Schedule of Operating Expenditures and Average Per Capita Costs**  
**For the Year Ended June 30, 2005**

	School Cost Per Capita		Total School Operating Expenditures		Instructional Staff		Administration		Operation and Maintenance of Plant		Student Transportation		Community Services	
	Average Daily Membership	Excluding Transportation Costs	Total School Cost Per Capita	Total School Operating Expenditures	Instruction	Students	District	School						
Year ended June 30, 2005	1,535	6,109	6,289	9,653,480	6,194,130	146,571	728,166	637,214	1,504,296		276,546		114	
Totals														
Expense category per capita cost														
Year ended June 30, 2004	1,513	5,652	5,809	8,788,947	5,733,772	123,731	640,195	805,663	1,352,161		238,225		451	
Totals														
Expense category per capita cost														

NOTE: 1. Statistical figures as to average daily attendance and for membership were tested for correctness, and expenditures were assembled from computer runs as a by-product of expenditure schedules.

2. Total operating costs include allowable operating expenditures made from the capital outlay fund during the fiscal years ended June 30, 2005 and 2004 but do not include costs of the food service program.

3. Reconciliation of Total School Operating Costs with the Statements of Revenues, Expenditures, and Changes in Fund Balances - per report Pages 16 & 32-33 is as follows:

	General	Special Revenue	Capital Projects	Debt Service	Permanent Scholarship	Total
Total current year expenditures	\$ 9,810,172	\$ 1,025,476	\$ 107,199	\$ 1,212,309	\$ -	\$ 12,155,156
Less capital expenditures fund 10, account 749, property	-	-	(107,199)	(1,212,309)	-	(1,319,508)
Less food service	-	(463,718)	-	-	-	(463,718)
Less recreations	-	-	-	-	-	-
Less student activities	-	(561,758)	-	-	-	(561,758)
Less drugs & alcohol	-	-	-	-	-	(7,474)
Less bus replacement	(7,474)	-	-	-	-	(7,474)
Less misc. cash exp. adj./other	(97,323)	-	-	-	-	(97,323)
Less handicap/flood damage/other	(51,915)	-	-	-	-	(51,915)
Operating expenditures	\$ 9,653,460	\$ -	\$ -	\$ -	\$ -	\$ 9,653,460

**BEAVER COUNTY SCHOOL DISTRICT**  
**Schedule of Costs Per Capita and Average Daily Membership**  
**For the Year Ended June 30, 2005**

Average per capita costs for the last two years are as follows:

	<u>2005</u>	<u>2004</u>
<b>Instruction</b>	\$ 4,035	\$ 3,790
<b>Support services:</b>		
Students	95	82
Instructional staff	108	63
Administration		
District	474	423
School	415	400
Operation and maintenance of plant	980	894
Community services	0	-
<b>School operating expenditures, excluding transportation costs</b>	<u>6,109</u>	<u>5,652</u>
<b>Transportation</b>	<u>180</u>	<u>157</u>
<b>Total school operating expenditures</b>	<u>\$ 6,289</u>	<u>\$ 5,809</u>

Per capita costs, excluding transportation and school fund services, and average daily membership or attendance for the last five years are as follows:

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Per capita costs	\$ 6,289	\$ 5,809	\$ 5,797	\$ 5,512	\$ 5,180
Average daily membership or attendance	1,535	1,513	1,458	1,445	1,416

**BEAVER COUNTY SCHOOL DISTRICT**  
**Schedule of Costs Per Capita and Average Daily**  
**Membership (continued)**  
**For the Year Ended June 30, 2005**

Operating expenditures, average daily membership or attendance, and per capita costs for the last ten years are as follows:

<u>Year</u>	<u>Average Daily Membership</u>	<u>Operating Expenditures</u>	<u>Per Capita Costs</u>
2004-05	1,535	\$ 9,653,460	\$ 6,289
2003-04	1,513	8,788,947	5,809
2002-03	1,458	8,452,445	5,797
2001-02	1,445	7,964,587	5,512
2000-01	1,416	7,334,375	5,180
1999-00	1,417	6,856,387	4,839
1998-99	1,441	6,568,320	4,558
1997-98	1,460	6,191,758	4,241
1996-97	1,491	5,820,288	3,904
1995-96	1,461	4,993,413	3,418



**BEAVER COUNTY SCHOOL DISTRICT**  
**Schedule of Bonded and Other Indebtedness**  
**June 30, 2005**

<u>Due Date of Principal and Interest</u>	<u>Interest Rate Percent</u>	<u>Amount of Principal</u>	<u>Future Interest Payable</u>	<u>Total</u>
Note payable to Frank and Phyllis Myers dated March 5, 1998				
3/5/2006	10.00	\$ 30,000	\$ 11,425	\$ 41,425
3/5/2007	10.00	30,000	8,425	38,425
3/5/2008	10.00	30,000	5,425	35,425
3/5/2009	10.00	<u>24,247</u>	<u>2,425</u>	<u>26,672</u>
		<u>\$ 114,247</u>	<u>\$ 27,700</u>	<u>\$ 141,947</u>

**BEAVER COUNTY SCHOOL DISTRICT**  
**Schedule of Bonded and Other Indebtedness (continued)**  
June 30, 2005

	<u>Due Date of Principal and Interest</u>	<u>Interest Rate Percent</u>	<u>Amount of Principal</u>	<u>Future Interest Payable</u>	<u>Total</u>
General obligation refunding bonds dated May 6, 2004 (2004A)					
	8/1/2005	2.500	\$ -	\$ 210,070	\$ 210,070
	2/1/2006	2.500	390,000	210,070	600,070
	8/1/2006	2.500	-	205,195	205,195
	2/1/2007	3.000	320,000	205,195	525,195
	8/1/2007	3.000	-	200,395	200,395
	2/1/2008	3.250	240,000	200,395	440,395
	8/1/2008	3.250	-	196,495	196,495
	2/1/2009	3.250	250,000	196,495	446,495
	8/1/2009	3.250	-	192,433	192,433
	2/1/2010	3.750	250,000	192,433	442,433
	8/1/2010	3.750	-	187,745	187,745
	2/1/2011	4.000	260,000	187,745	447,745
	8/1/2011	4.000	-	182,545	182,545
	2/1/2012	4.000	270,000	182,545	452,545
	8/1/2012	4.000	-	177,145	177,145
	2/1/2013	3.900	285,000	177,145	462,145
	8/1/2013	3.900	-	171,588	171,588
	2/1/2014	4.000	1,120,000	171,588	1,291,588
	8/1/2014	4.000	-	149,188	149,188
	2/1/2015	4.000	1,170,000	149,188	1,319,188
	8/1/2015	4.000	-	125,788	125,788
	2/1/2016	4.125	1,220,000	125,788	1,345,788
	8/1/2016	4.125	-	100,625	100,625
	2/1/2017	5.000	1,275,000	100,625	1,375,625
	8/1/2017	5.000	-	68,750	68,750
	2/1/2018	5.000	1,340,000	68,750	1,408,750
	8/1/2018	5.000	-	35,250	35,250
	2/1/2019	5.000	1,410,000	35,250	1,445,250
			<u>\$ 9,800,000</u>	<u>\$ 4,406,424</u>	<u>\$ 14,206,424</u>

**BEAVER COUNTY SCHOOL DISTRICT**  
**Schedule of Bonded and Other Indebtedness (continued)**  
June 30, 2005

	<u>Due Date of Principal and Interest</u>	<u>Interest Rate Percent</u>	<u>Amount of Principal</u>	<u>Future Interest Payable</u>	<u>Total</u>
General obligation refunding bonds dated August 25, 2004 (2004B)					
	8/1/2005	3.000	\$ -	\$ 90,379	\$ 90,379
	2/1/2006	3.000	635,000	90,379	725,379
	8/1/2006	3.000	-	80,854	80,854
	2/1/2007	3.000	600,000	80,854	680,854
	8/1/2007	3.000	-	71,854	71,854
	2/1/2008	3.000	625,000	71,854	696,854
	8/1/2008	3.000	-	62,479	62,479
	2/1/2009	3.300	640,000	62,479	702,479
	8/1/2009	3.300	-	51,919	51,919
	2/1/2010	3.500	665,000	51,919	716,919
	8/1/2010	3.500	-	40,281	40,281
	2/1/2011	3.500	690,000	40,281	730,281
	8/1/2011	3.500	-	28,206	28,206
	2/1/2012	3.750	715,000	28,206	743,206
	8/1/2012	3.750	-	14,800	14,800
	2/1/2013	4.000	740,000	14,800	754,800
			<u>\$ 5,310,000</u>	<u>\$ 881,544</u>	<u>\$ 6,191,544</u>
Totals			<u>\$ 15,224,247</u>	<u>\$ 5,315,668</u>	<u>\$ 20,539,915</u>

**BEAVER COUNTY SCHOOL DISTRICT**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2005

<u>Federal Grantor / Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Expenditures</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Passed Through Utah State Office of Education:			
Adult Education - State Grant Program	84.002		
Prison / Institutionalized			\$ 11,294
Title I Grants to Local Educational Agencies (LEA's)	84.010		136,356
Migrant Education - State Grant Program	84.011		18,438
Special Education - Grants to States (IDEA, Part B)	84.027		263,432
Vocational Education-Basic Grants to States-Carl D. Perkins	84.048		
Formula Allocation			21,653
Technology Literacy Challenge			9,436
Special Education - Pre School Grants	84.173		16,563
Safe and Drug-Free Schools and Communities - State Grants	84.186		5,965
Fund for the Improvement of Education (FIE Grant)	84.215K		6,000
Rural Education	84.358		58,146
English Language Acquisition Grants	84.365		883
Improving Teacher Quality - State Grants	84.367		66,859
<b>Total U.S. Department of Education</b>			<u>615,025</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed Through Utah State Office of Education:			
*School Breakfast Program	10.553		79,535
*National School Lunch Program-Federal School Lunch	10.555		32,281
*National School Lunch Program-Federal Special Assist. Prog.	10.555		185,547
<b>Total U.S. Department of Agriculture</b>			<u>297,363</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 912,388</u>

\*Major Program

**BEAVER COUNTY SCHOOL DISTRICT**  
Notes to Schedule of Expenditures of Federal Awards

**1. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards is a summary of activities related to the District's expenditure of Federal Awards. The schedule has been prepared on the same basis of accounting as the basic financial statements. Most of the awards are reimbursement based. Therefore, as expenditures of federal funds are made, revenue is recognized.

**2. ACCOUNTS RECEIVABLE**

The basic financial statements include accounts receivable from federal programs. These receivables are recorded according to the same basis of accounting as the basic financial statements. The receivables reflect federal awards that have been expended by year end and not yet reimbursed.

**BEAVER COUNTY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs - Federal Awards**  
**For the Year Ending June 30, 2005**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of Beaver County School District.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Beaver County School District were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal awards programs.
5. The auditors' report of compliance for the major federal award programs for Beaver County School District expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Beaver County School District are reported in Part C of this schedule.
7. The program tested as a major program was the School Breakfast and National School Lunch cluster program(s) (10.553 & 10.555).
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Beaver County School District was determined to be a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR AWARD PROGRAMS**

None



**Haynie &  
Company**

**Certified Public Accountants** (a professional corporation)

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**The Board of Education  
Beaver County School District:**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beaver County School District (District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 30, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Beaver County School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Beaver County School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Haynie & Co*

Salt Lake City, Utah  
September 30, 2005



**Haynie &  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Education  
**Beaver County School District**

**Compliance**

We have audited the compliance of Beaver County School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Beaver County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Beaver County School District's management. Our responsibility is to express an opinion on Beaver County School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Beaver County School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Beaver County School District's compliance with those requirements.

In our opinion, Beaver County School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

**Internal Control Over Compliance**

The management of Beaver County School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Beaver County School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.



Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Haynie & Co*

Salt Lake City, Utah  
September 30, 2005



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**REPORT ON LEGAL COMPLIANCE APPLICABLE  
TO UTAH STATE LAWS AND REGULATIONS**

The Board of Education  
**Beaver County School District:**

We have audited the financial statements of Beaver County School District for the year ended June 30, 2005, and have issued our report thereon dated September 30, 2005. As part of our audit, we have audited Beaver County School District's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort or earmarking; and special tests and provisions applicable to each of its major State assistance programs as required by the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2005. The District received the following major State assistance programs from the State of Utah:

State Minimum Schools  
Fall Enrollment and Student Membership Reporting  
Drivers Education  
Adult Education

The District also received the following nonmajor grants, which are not required to be audited for specific compliance requirements. However, these programs were subject to test work as part of the audit of Beaver County School District's financial statements:

School Lunch  
Preschool

Our audit also included test work on the District's compliance with those general compliance requirements identified in the *State of Utah Legal Compliance Audit Guide* including:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Truth in Taxation and Property Tax Limitations  
Other Compliance Requirements

The management of Beaver County School District is responsible for the District's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Beaver County School District complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2005.

*Haynie & Co*

Salt Lake City, Utah  
September 30, 2005

**BEAVER COUNTY SCHOOL DISTRICT**  
Schedule of Findings - Compliance - State of Utah  
For the Year Ended June 30, 2005

**CURRENT YEAR FINDINGS**

**Statement of Condition #1:**

The District has not been depositing public funds within three business days.

**Criteria**

Public funds should be deposited daily or within three business days, as required by *Utah Code* Section 51-4-2(2).

**Cause**

The District is just not completing the deposit and ensuring that it is taken to the bank at least every three business days.

**Effect**

The District is not in compliance with State law.

**Recommendation**

We recommend that the District deposit public funds within three business days.

**Response:**

We concur with the auditor's recommendation and will take corrective action.

**Statement of Condition #2:**

We noted that the General fund and the Lunch Service fund overspent their budgets.

**Criteria**

The General fund and the Lunch Service fund should operate within their budgets, as required by *Utah Code* Section 53A-19.

**Cause**

The District is simply not ensuring that the General fund and the Lunch Service fund operate within their budgets.

**Effect**

The District is not in compliance with State law.

**Recommendation**

We recommend that the District operate within the confines of the State by either limiting expenditures to the approved budget or by appropriately adjusting the budget.

**BEAVER COUNTY SCHOOL DISTRICT**  
Schedule of Findings - Compliance - State of Utah  
For the Year Ended June 30, 2005

Response:

We concur with the auditor's recommendation and will take corrective action.

Statement of Condition #3:

We noted that the District did not hold a public hearing to adopt its annual budget, and the District did not give proper notice to the public regarding its budget.

Criteria

The District should establish a time and a place of the public hearing to consider the adoption of the budget, as defined in *Utah Code* Section 53A-19. The District should also publish notice of the hearing at least seven days prior to the hearing in at least one issue of the local newspaper, or in at least three public places within the jurisdiction.

Cause

The District just did not hold a public hearing to adopt its budget.

Effect

The District is not in compliance with State law.

Recommendation

We recommend that the District hold a public hearing to adopt its budget, and to give proper notice to the public regarding the budget.

Response:

We concur with the auditor's recommendation and will take corrective action.

Statement of Condition #4:

We noted that the District has not maintained driver education records for five years.

Criteria

Driver education records should be maintained for five years, as required by *Utah Code* Section 53A-13-201 through 207.

Cause

The prior instructor was not retaining the driver education records for five years.

**BEAVER COUNTY SCHOOL DISTRICT**  
**Schedule of Findings - Compliance - State of Utah**  
**For the Year Ended June 30, 2005**

Effect

The District is not in compliance with State law.

Recommendation

We recommend that the District maintain driver education records for five years.

Response:

We concur with the auditor's recommendation and will take corrective action.

Statement of Condition #5:

We noted that the District claimed reimbursement from the State for students who did not complete the drivers education course or who did not pass the driving or written tests.

Criteria

Drivers education reimbursement should only be claimed for students who properly pass the driving and written tests, and who properly pass the drivers education course, as required by *Utah Code* Section 53A-13-201 through 207.

Cause

The District did not ensure that the detailed student records matched the information contained in the Student Membership Report (S-3).

Effect

The District is not in compliance with State law.

Recommendation

We recommend that the District claim reimbursement only for those students who have properly completed the drivers education course and who have properly passed the driving and written tests.

Response:

We concur with the auditor's recommendation and will take corrective action.

Statement of Condition #6:

For the adult education program, we noted that the student accounting system did not report all of the required student information as defined in the Utah State Board of Education's Rule R277-733.

**BEAVER COUNTY SCHOOL DISTRICT**  
**Schedule of Findings - Compliance - State of Utah**  
**For the Year Ended June 30, 2005**

Criteria

The student accounting system should clearly state the following items, as required by Utah State Board of Education's Rule R277-733: Student's name, gender, ethnicity, name of school, name of class, category of class, instructor, entry and exit dates, attendance record, contact hours, units of credit awarded, level code, and demographic code.

Cause

The District did not ensure that the student's enrollment application matched the accounting system for all enrollees.

Effect

The District is not in compliance with State law.

Recommendation

We recommend that the District include all required student information in the student accounting system.

Response:

We concur with the auditor's recommendation and will take corrective action.

Statement of Condition #7:

For the adult education program, we could not verify if the contact hours were correctly calculated when comparing the student attendance records to the student accounting system. We noted that there were contact hours being awarded for enrollees after the date their diploma was awarded. In addition, we noted contact hours being reported for which attendance records did not exist.

Criteria

The District should keep attendance records for each enrollee in the student accounting system and report accurate contact hours by means of the UREAD report.

Cause

The District failed to keep accurate attendance records and to update the student accounting system properly for reported contact hours.

Effect

The District is not in compliance with State law.

## BEAVER COUNTY SCHOOL DISTRICT

Schedule of Findings - Compliance - State of Utah

For the Year Ended June 30, 2005

### Recommendation

We recommend that the District correctly calculate contact hours by maintaining all attendance records, and verify that contact hours aren't being reported for enrollees after they have received a diploma from the program.

### Response:

We concur with the auditor's recommendation and will take corrective action.

### Statement of Condition #8:

For the adult education program, we noted that level gains weren't being reported properly when compared to the testing results located in the student files.

### Criteria

As required by the Utah State Board of Education's Rule R277-733, level gains are to be reported in the student accounting system based on entry and exit level testing.

### Cause

The District failed to keep accurate records for level gains.

### Effect

The District is not in compliance with State law.

### Recommendation

We recommend that the District properly report all level gains and maintain more accurate student files based on entry and exit level testing.

### Response:

We concur with the auditor's recommendation and will take corrective action.

Please see the audit findings from the Utah State Auditor's Office's audit report of Beaver County School District. We will reference those findings; however, we will not repeat them here.



**BEAVER COUNTY SCHOOL DISTRICT**  
Schedule of Findings - Compliance - State of Utah  
For the Year Ended June 30, 2005

**PRIOR YEAR FINDINGS**

The District was not depositing funds within three business days as defined in Section 51-4-2(2) of the *Utah Code*. The District has not maintained driver education records for five years as defined in Section 53A-13-201 through 207 of the *Utah Code*. The District's adult education program did not maintain various student enrollment applications, nor did the student accounting system report the required student information as defined in the Utah State Board of Education's Rule R277-733. The District's adult education contact hours were not correctly calculated when comparing the student attendance records to the student accounting system. Various student files could not be located to compare to the accounting system; thus, we could not verify if the credit hours were properly reported on the student's transcript.